

## Message Text

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11

ACTION EB-07

INFO OCT-01 EUR-12 EA-06 ISO-00 SP-02 AID-05 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 PA-01 PRS-01 USIA-06 L-02 AGR-05 /095 W

----- 115945

R 211150Z APR 75

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 768

INFO AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

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DEPT PASSTREASURY AND EXIMBANK

E.O. 11652 N/A

TAGS: EFIN DA

SUBJECT: GENTLEMEN'S AGREEMENT ON EXPORT CREDITS.

REF: COPENHAGEN 895

1.DURING HIS VISIT TO COPENHAGEN TO ATTEND THE ATOMIC  
INDUSTRIAL FORUM SEMINAR ON "NUCLEAR POWER AND THE MONEY  
MARKETS: EXIMBANK PRESIDENT WILLIAM CASEY AND I CALLED ON  
FONECONMIN IVAR NORGAARD AND THE MINISTRY OF COMMERCE. CASEY  
BRIEFED NORGAARD ON THE US POSITION ON THE GENTLEMEN'S AGREEMENT  
ON WHICH IT APPEAR NORGAARD WAS ONLY GENERALLY AWARE.

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WE ALSO DISCUSSED THE PRESENT STATE OF THE COMMON MARKET. NORGAAARD EXPRESSED CAUTIOUS OPTIMISM ABOUT THE OUTCOME OF THE BRITISH REFERENDUM AND SAID HE WAS ANXIOUS TO HAVE IT OUT OF THE WAY SO THAT THE ".MARKING TIME" PERIOD IN COMMUNITY RELATIONS CAN BE ENDED AND FURTHER STEPS TAKEN TO MOVE THE COMMUNITY FORWARD. ON A POSITIVE NOTE CASEY AND NORGAAARD RECALLED THAT SOME OF THE MORE DIFFICULT PROBLEMS IN US-EC RELATIONS SUCH AS PREFERENCES WHICH THEY DISCUSSED IN WASHINGTON DURING THEIR LAST MEETING IN MAY 1973 HAVE BEEN RESOLVED. (DENMARK WAS THEN ABOUT TO ASSUME THE EC COUNCIL PRESIDENCY)

2. AT THE COMMERCE MINISTRY THE MEETING HAD BEEN SCHEDULED WITH COMMERCE MINISTER ERLING JENSEN WHO HOWEVER WAS UNABLE TO ATTEND BECAUSE HE HAD BEEN CALLED OUT UNEXPECTEDLY TO THE PARLIAMENT. WE MET INSTEAD WITH COMMERCE DEPUTY UNDER SECRETARY H O CHRISTIANSEN AND BENT RICHNAGEL, CHAIRMAN OF THE DANISH EXPORT CREDIT COUNCIL WHO ARE THE TOP OFFICIALS WITHIN THE GOVERNMENT RESPONSIBLE FOR POLICY FORMULATION ON EXPORT CREDITS. WE FOUND THAT WHILE THE DANES STRONGLY SUPPORT EFFORTS TO PLACE A SENSIBLE FLOOR ON INTEREST RATE LEVELS THEY DID NOT CLEARLY UNDERSTAND THE US POSITION ON MAXIMUM LENGTH OF SUCH CREDITS. THEY NOTED THAT DANISH EXPORT CREDITS ARE NORMALLY FOR NO MORE THAN FIVE YEARS, THAT THEY WOULD RELUCTANTLY SUPPORT THE PROPOSAL FOR 8 1/2 YEARS FOR INDUSTRIAL STATES AND 10 YEARS FOR LDC'S BUT DID NOT LIKE THE PROPOSAL TO PERMIT CREDITS BEYOND THOSE PERIODS.

3. CASEY NOTED THAT THE MIX OF PRODUCTS ELIGIBLE FOR EXPORT CREDITS VARIED CONSIDERABLY BETWEEN COUNTRIES FIVE YEARS MAY BE QUITE ADEQUATE FOR DANISH EXPORTS BUT NOT FOR MANY US EXPORTS. HE WANTED TO MAKE IT VERY CLEAR THAT THE US WOULD NOT TIE ITS HANDS WITH ABSOLUTE RESTRICTIONS ON MAXIMUM TERMS, THERE MUST BE A PROVISION FOR GOING BEYOND THE 8 1/2 - 10 YEAR PERIODS, ALTHOUGH WE WILL ACCEPT AN INCREASE IN INTEREST RATES (CORRESPONDING WITH THE MARKET RATE) IN SUCH INSTANCES. WITHOUT SUCH PROVISION, CASEY SAID THE US WOULD NOT SIGN THE GENTLEMAN'S AGREEMENT.

4. I HAD THE IMPRESSION THAT THE DANES HAD NOT FULLY COMPREHENDED THE US POSITION IN THIS REGARD, BUT IT WAS CLEAR THAT LIMITED OFFICIAL USE

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THEY NOW UNDERSTOOD IT. THEY WERE HOWEVER NONCOMMITTAL IN THEIR REACTIONS TO MR CASEY'S PRESENTATION. CROWE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, CREDIT, AGREEMENTS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 3  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 COPENHAGEN 895  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GENTLEMEN'S AGREEMENT ON EXPORT CREDITS.  
**TAGS:** EFIN, DA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006